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MEDICAID MEMO

Last Updated: 03/09/2022

Modifications to the Virginia Medicaid Preferred Drug List (PDL) Program, Effective July 1, 2008; Changes to the Enhanced Prospective Drug Utilization Review Program (Dose Optimization); and, Implementation of the Specialty Maximum Allowable Cost Program

The purpose of this memorandum is to inform you of modifications to Virginia Medicaid's Preferred Drug List (PDL) and related changes to its criteria for prior authorization, changes to the enhanced prospective drug utilization review program (dose optimization), and implementation of the Specialty Maximum Allowable Cost Program.

PREFERRED DRUG LIST (PDL) UPDATES – EFFECTIVE JULY 1, 2008

The PDL is a list of preferred drugs, by select therapeutic class, for which the Medicaid program allows payment without requiring prior authorization (PA). *Please note that not all drug classes are subject to the Virginia Medicaid PDL*. In the designated classes, drug products classified as non-preferred will be subject to PA. Other clinical criteria may also apply for each respective drug class. There are provisions for a 72-hour supply of necessary medications so this initiative will not cause an individual to be without an appropriate and necessary drug therapy. The PDL program aims to provide clinically effective and safe drugs to its clients in a cost-effective manner. Your continued compliance and support of this program is critical to its success.

The PDL is effective for the Medicaid, MEDALLION, and FAMIS Plus fee-for-service populations. The PDL **does not** apply to recipients enrolled in a Managed Care Organization or to FAMIS enrollees.

Therapeutic drug classes in Phase II of the PDL are typically reviewed in the spring and their drug status (preferred or non-preferred) is revised on July 1st of each year. The Pharmacy & Therapeutics (P&T) Committee recently conducted its annual review of the PDL Phase II drug classes at its April 2008 meeting and some changes were made to the prior authorization criteria for these classes.

The therapeutic classes included in the annual review of PDL Phase II were:

Second Generation Sulfonylureas Alpha-Glucosidase Inhibitors Biguanides

Biguanide Combination Products Meglitinides

Thiazolidinediones

Thiazolidinediones-Metformin Combinations Thiazolindinediones-Sulfonylurea Combinations Leukotriene Modifiers

Leukotriene Formation Inhibitors

Non-Steroidal Anti-Inflammatory Drugs (NSAID) (*now includes Cox-2 Inhibitors)* Long Acting Narcotics Antihyperkinesis/CNS Stimulants Bisphosphonates

Second Generation Cephalosporins Third Generation Cephalosporins

Second Generation Quinolones Systemic Third Generation Quinolones – Systemic Macrolides - Adult and Pediatric

Oral Antifungals for Onychomycosis Herpes Antivirals

Influenza Antivirals Ketolides

Glaucoma Alpha-2 Adrenergic Glaucoma Beta-blockers

Glaucoma Carbonic Anhydrase Inhibitors Glaucoma Prostaglandin Analogs

Ophthalmic Anti-Inflammatory (NSAID) Ophthalmic Quinolones

Ophthalmic Antihistamines Ophthalmic Mast Cell Stabilizers Serotonin Receptor Agonists (Triptans)

The P&T Committee also recently evaluated new drugs within eight PDL Phase I drug classes (Antihistamines-Second Generation, Beta Blockers, Proton Pump Inhibitors, HMG CoA Reductase Inhibitors and Combinations-Statins, Urinary Tract Antispasmodics, Electrolyte Depleters, ACE Inhibitors, and ACE Inhibitors/ARB Calcium Channel Blockers). Finally, the P&T Committee deemed two new drug classes (DPP-IV Inhibitors and Topical Antibiotics) as "PDL-eligible" and they are now included with PDL Phase II. Therefore, based on the review of PDL Phase II drug classes, new drugs in PDL Phase I, and two new PDL drug classes, the additions and changes to the PDL, effective July 1, 2008, are as follows:

ADDITIONS TO PREFERRED STATUS

Vyvanse (Antihyperkinesis)

Cipro Susp Recon (Quinolones-Systemic**) Cefdinir Capsule** (3rd Generation Cephaloporins)

Cefdinir Susp Recon (3rd Generation Cephaloporins)

Combigen (Beta Blockers- Glaucoma)

Sanctura XR (Urinary Tract Antispasmodics) **Simcor** (Lipotropics-Non Statins: Niacin Derivatives)
Mupirocin (Topical Antibiotics)

Janumet (DPP-IV Inhibitors and Combinations)

Januvia (DPP-IV Inhibitors and Combinations)

ADDITIONS TO NON-PREFERRED STATUS

Ofloxacin Tablets (Quinolones-Systemic)

Ciprofloxacin HCL Susp (Quinolones-Systemic) **Ketotifen Fumarate Drops** (Ophthalmic Antihistamines) **Oramorph** (Narcotics: Long Acting)

Omnicef Capsule (3rd Generation Cephalosporins) **Omnicef Susp Recon** (3rd Generation Cephalosporins) **Ceftin Susp Recon** (2nd Generation Cephalosporins) **Lamisil Granules** (Onychomycosis Antifungals) **Pantoprazole** (Proton Pump Inhibitors)

Cetirizine HCL OTC (Low Sedating Antihistamines) **Zyrtec Tablets OTC** (Low Sedating Antihistamines) **Zyrtec 1mg/ml Syrup OTC** (Low Sedating Antihistamines)

Zyrtec ChewableTablets OTC (Low Sedating Antihistamines) **Oxybutynin Chloride ER** (Urinary Tract Antispasmodics) **Bystolic** (Beta Blockers)

Ramipril (ACE Inhibitors) **Altace Tablets** (ACE Inhibitors) **Renvela** (Electrolyte Depleters) **Azor** (ARB/CCB Combinations) **Flector Patch** (NSAIDS) **Voltaren 1% Gel** (NSAIDS) **Altabax** (Topical Antibiotic) **Bactroban** (Topical Antibiotic)

The revised PDL Quicklist reflecting all changes is attached and will be effective on July 1, 2008. Please note that the revised PDL Quicklist only includes "preferred" drugs (no PA required). **A PA is required if the drug requested from one of these select therapeutic classes is not on the list.**

You may also access the complete list of pharmaceutical products included on the Virginia PDL by visiting http://www.dmas.virginia.gov/pharm-pdl_program.htm or https://virginia.fhsc.com. Additional information and Provider Manual updates will be posted as necessary. Comments and questions regarding this program may be emailed to pdlinput@dmas.virginia.gov.

WEB-BASED PHARMACY PRIOR AUTHORIZATION PROCESS

On July 1, 2007, a new web-based process ("Web PA") became available for pharmacy prior authorization processing. The Web PA provides an alternative method for submission of prior authorization requests for prescription drugs. This is supplemental to the traditional means of phoning or faxing requests, which are still available. Some of the advantages of the Web PA process are: PA can be created online with real-time authorization in many cases; the user may check the status of the request and view the decision at their convenience; and the user may print a complete copy of the request and the decision for the patient's record.

The Web PA process and all information exchanged are secured. To utilize this service you must register for the User Administration Console (see the *Medicaid Memo* dated January 19, 2007), have internet access, and obtain a valid First Health Services secured ID and password. The full Web PA User Guide is also available at the following web link: https://webpa.fhsc.com/webpa (select "HELP"). You may contact the First Health Services Web Support Call Center at (800) 241-8726 with questions or issues with the Web PA.

PDL PRIOR AUTHORIZATION (PA) PROCESS

A message indicating that a drug requires a PA will be displayed at the point of sale (POS) when a non-preferred drug is dispensed. Pharmacists should contact the patient's prescribing provider to request that they initiate the PA process. Prescribers can initiate PA requests by letter; faxing to 1-800-932-6651; contacting the First Health Services Clinical Call Center at 1-800-932-6648 (available 24 hours a day, seven days a week); or by using the aforementioned web-based prior authorization process (Web PA). Faxed and mailed PA requests will receive a response within 24 hours of receipt. PA requests can be mailed to:

First Health Services
Corporation ATTN: MAP
Department/ VA Medicaid
4300 Cox Road

Glen Allen, Virginia 23060

A copy of the PA form is available online at http://www.dmas.virginia.gov/pharm-pdl_program.htm or https://virginia.fhsc.com. The PDL criteria for PA purposes are also available on both websites.

PDL 72-HOUR-SUPPLY PROCESSING POLICY AND DISPENSING FEE PROCESS

The PDL program provides a process where the pharmacist may dispense a 72-hour supply of a non-preferred, prescribed medication if the prescriber is not available to consult with the pharmacist (after-hours, weekends, or holidays), **AND** the pharmacist, in his/her professional judgment, consistent with current standards of practice, feels that the patient's health would be compromised without the benefit of the drug. A phone call by the pharmacy provider to First Health Services Corporation (FHSC) at 1-800-932-6648 (available 24 hours a day, seven days a week) is required for processing a 72-hour supply.

The patient will be charged a co-payment applicable for this 72-hour supply (partial fill). However, a co-payment will not be charged for the completion fill. The prescription must be processed as a "partial" fill and then a "completion" fill. For unit-of-use drugs (i.e., inhalers, drops, etc.), the entire unit should be dispensed and appropriate action taken to prevent similar situations in the future.

Pharmacy providers are entitled to an additional $4.00 dispensing fee (brand name and generic drugs) when filling the completion of a 72-hour-supply prescription for a non-preferred drug. To receive the additional dispensing fee, the pharmacist must submit the 72-hour supply as a partial fill and, when submitting the claim for the completion fill, enter "03" in the "Level of Service" (data element 418-DI) field. The additional dispensing fee is only available (one time per prescription) to the pharmacist after dispensing the completion fill of a non-preferred drug when a partial (72-hour supply) prescription was previously filled.

PERSONAL DIGITAL ASSISTANT (PDA) DOWNLOAD FOR PDL QUICKLIST

There are two ways to download the PDL list for PDA users. On the DMAS website (http://www.dmas.virginia.gov/pharm-pdl_program.htm), there is a link, which enables providers to download the PDL Quicklist to their PDAs. This page will have complete directions for the download and HotSync operations. If you are an ePocrates® user, you may also access Virginia Medicaid's PDL through the ePocrates® formulary link at www.epocrates.com. ePocrates® is a leading drug information software application for handheld computers (PDAs) and desktop computers. A large number of healthcare providers use this software in their daily practice. For more information and product registration, please visit the ePocrates® website.

To download the Virginia Medicaid PDL via the ePocrates® website to your PDA, please follow these steps:

1. Ensure that you have the most recent version of ePocrates Rx® installed on your PDA.
2. Connect to the Internet and go to www.epocrates.com.
3. Click the "Add Formularies" link at the top of the page.
4. Log in to the website using your user name and password.
5. Select "Virginia" from the "Select State" menu.
6. Select "Virginia Medicaid-PDL" under "Available Formularies."

7. Click on “Add to My List” and then click on “Done.”
8. Auto Update your PDA to install the “Virginia Medicaid-PDL” to your PDA.

CHANGES TO ENHANCED ProDUR PROGRAM

The dose optimization program identifies high cost products where all strengths have the same unit cost and the standard dose is one tablet per day. By providing the highest strength daily dose, the number of units in a 34-day supply is minimized.

Effective July 1, 2008, Virginia Medicaid will expand the ProDUR program for dose optimization. Effective July 1, 2008, the complete dose optimization edits will include the following drugs:

Abilify®	2mg*, 5mg, 10mg, 15mg, 20mg*
Concerta®	18mg, 27mg*, 36mg
Lexapro®	5mg*
Risperdal®	0.25mg, 0.5mg, 1mg, 2mg
Strattera®	10mg, 18mg, 25mg*, 40mg*, 60mg*, 80mg*
Zyprexa®	2.5mg, 5mg, 7.5mg*, 10mg
Zyprexa® Zydis®	5mg*, 10mg*

*New as of July 1, 2008

Claim denials are made at point of sale for dose optimization when dispensing outside of guidelines. When dose dispensing is not optimized, pharmacy providers receive a claim denial with an error message stating **“DOSE OPT LMT 34/MO–MD 800-932-6648”**. Prescribers may receive authorization for exceptions to dose optimization limits if established clinical criteria are met. The dose optimization prior authorization request form with required information is attached. Prior authorization requests may be submitted via phone (1-800-932- 6648), fax (1-800-932-6651), or mail (First Health Services

Corporation, 4300 Cox Road, Glen Allen, Virginia 23060).

SPECIALTY MAXIMUM ALLOWABLE COST PROGRAM

Specialty drug products are products used to treat chronic, high-cost or rare diseases, including treatments for certain diseases such as Hepatitis-C and Multiple Sclerosis, as well as drugs such as growth hormone agents and interferon. These drugs tend to be higher in cost than standard pharmaceutical products because they typically require tailored patient education for safe and cost-effective use, patient-specific dosing, close patient monitoring, administration via injection, infusion orally, and require refrigeration or other special handling.

Item 302(JJ) of the 2008 Appropriations Act directed DMAS to implement a specialty drug program. Therefore, effective July 1, 2008, the reimbursement for certain groups of specialty drug classes will be subject to a new specialty drug maximum allowable cost (Specialty MAC). This program works in conjunction with the current Virginia Maximum Allowable Cost (MAC) program and the Preferred Drug List (PDL) to ensure recipients receive quality products in a cost-effective manner. This does not affect the Managed Care Organizations (MCOs) because they have their own pharmacy benefits and programs.

The drug classes that will be priced by the Specialty MAC program include:

- Hematapoietic Agents
- Anti Tumor Necrosis Factor Agents (Rheumatoid Arthritis)
- Immunomodulator Agents
- Agents to treat Muscular Sclerosis
- Growth Hormones
- Interferon Agents for Hepatitis C

The new Specialty MAC reimbursement amount will be determined by and based on the Wholesale Acquisition Cost (WAC) + 4.75%.

PRICING DISPUTE RESOLUTION PROCESS

The intent of the Specialty MAC program is to reimburse pharmacy providers fairly while ensuring equitable pricing based on market conditions. If a pharmacy provider discovers that the Specialty MAC price does not accurately reflect the drug cost, the provider should first explore alternative manufacturers or wholesalers that more accurately reflect the Specialty MAC price. If there are no manufacturers or wholesalers that are at or below the established Specialty MAC price, the provider may request a review.

As of July 1, 2008, providers may call 866-312-8467, fax the attached form to 866-312-8470, or email disputeresolution@dmas.virginia.gov with Specialty MAC pricing dispute resolution requests. Please provide the following information:

- Pharmacy name, phone number, fax number, and NPI number;
- Date requested;
- Drug name, strength and dosage form;
- NDC number;
- Wholesale acquisition cost; and,
- Package size

Providers may administer a 72-hour supply of the medication for the patient while the dispute is being resolved. Providers will be notified of the receipt of their dispute resolution request within one business day. The provider will receive a decision within three business days. The provider will either receive a notice stating that there is confirmation of alternative manufacturers, who have the product available at or below the Specialty MAC price, or the Specialty MAC price will be adjusted accordingly based on the results of the review. The revised price will be effective from the date of the dispute resolution request. The Specialty MAC list will be updated monthly by the first Friday of every month and can be found and downloaded from our website at www.dmas.virginia.gov.

SPECIALTY MAC CALL CENTER

The Specialty MAC Call Center can be reached at 866-312-8467 if you have any questions. The call center is operational Monday through Friday from 9 a.m. to 5 p.m. Voicemail capabilities will be available for after-hours calls. You may also send questions via email to disputeresolution@dmas.virginia.gov.

ELIGIBILITY AND CLAIMS STATUS INFORMATION

DMAS offers a web-based Internet option (ARS) to access information regarding Medicaid or FAMIS eligibility, claims status, check status, service limits, prior authorization, and pharmacy prescriber identification. The website address to use to enroll for access to this system is http://virginia.fhsc.com. The MediCall voice response system will provide the same information and can be accessed by calling 1-800-884-9730 or 1-800-772-9996. Both options are available at no cost to the provider.

COPIES OF MANUALS

DMAS publishes electronic and printable copies of its Provider Manuals and Medicaid Memoranda on the DMAS website at www.dmas.virginia.gov. Refer to the "DMAS Content Menu" column on the left-hand side of the DMAS web page for the "Provider Services" link, which takes you to the "Manuals, Memos and Communications" link. This link opens up a page that contains all of the various communications to providers, including Provider Manuals and Medicaid Memoranda. The Internet is the most efficient means to receive and review current provider information. If you do not have access to the Internet or would like a paper copy of a manual, you can order it by contacting Commonwealth-Martin at 1-804-780-0076. A fee will be charged for the printing and mailing of the manuals and manual updates that are requested.

"HELPLINE"

The "HELPLINE" is available to answer questions Monday through Friday from 8:30 a.m. to 4:30 p.m., except on state holidays. The "HELPLINE" numbers are:

1-804-786-6273	Richmond area and out-of-state long distance
1-800-552-8627	All other areas (in-state, toll-free long distance)

Please remember that the "HELPLINE" is for provider use only. Please have your NPI number available when you call.

PROVIDER E-NEWSLETTER SIGN-UP

DMAS is pleased to inform providers about the creation of a new Provider E-Newsletter. The intent of this electronic newsletter is to inform, communicate, and share important program information with providers. Covered topics will include upcoming changes in claims processing, common problems with billing, new programs or changes in existing programs, and other information that may directly affect providers. If you would like to receive the electronic newsletter, please sign up at www.dmas.virginia.gov/pr-enewsletter.asp.

Please note that the Provider E-Newsletter is not intended to take the place of Medicaid Memoranda, Medicaid Provider Manuals, or any other official correspondence from DMAS.